

## Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

EB-07 COME-00 TRSE-00 SIL-01 LAB-04 /072 W

----- 070560

R 082032Z MAY 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8673

INFO AMEMBASSY BOGOTA

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE CARACAS 4843

E.O. 11652: N/A

TAGS: ETRD, EGEN, VE

SUBJECT: ANDEAN PACT CRITICIZED BY FORMER MINISTER OF DEVELOPMENT

1. FORMER MINISTER OF DEVELOPMENT CARMELO LAURIA ATTACKED THE ANDEAN PACT AS AN INHIBITOR OF VENEZUELAN ECONOMIC DEVELOPMENT. HE MADE HIS BROADSIDE AGAINST THE PACT AT THE ASSEMBLY OF FEDECAMARAS (NATIONAL FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY.) LAURIA, WHO IS NOW PRESIDENT OF THE NATIONAL BANKING COUNCIL AND PRESIDENT OF THE BANK OF VENEZUELA (PRIVATE) SAID, "IF DECISION 24 ISN'T CHANGED, THE ANDEAN PACT WON'T WORK." HE SAID THAT VENEZUELA NEEDS TO CONTINUE IMPORTING CAPITAL - USING APPROPRIATE CONTROLS - IN ORDER TO BOLSTER ITS

DEVELOPMENT PROGRAMS. HE URGED THE BUSINESS SECTOR TO PETITION THE GOVERNMENT FOR A CHANGE IN DECISION 24 AND CALLED FOR A UNIFIED INVESTMENT POLICY FOR ALL OF LATIN AMERICA.

2. IN A FIFTY-TWO PAGE REPORT TABLED (BUT NOT READ) BEFORE THE ASSEMBLY, LAURIA INTER ALIA RECOMMENDED: A MORE OBJECTIVE  
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POLICY IN VENEZUELA TOWARD FOREIGN INVESTMENTS; RIGOROUS

SELECTION OF NATIONAL INVESTMENT PROGRAMS AND COORDINATION SO  
AS TO AVOID "THE WASTE OF RESOURCES AND OTHER SERVICES THAT HAVE

CHARACTERIZED THE SQUANDERING THAT HAS OCCURRED THROUGHOUT  
THE HISTOCY OF THIS COUNTRY, AND A BETTER DISTRIBUTION OF INCOME".

3. COMMENT: LAURIA GENERALLY REFLECTS THE ATTITUDE OF THE  
VENEZUELAN BUSINESS COMMUNITY, WHO INITIALLY OPPOSED VENEZUELAN  
ENTRY INTO THE ANDEAN PACT, SUBSEQUENTLY ADJUSTED ONLY GRUDGINGLY  
AND THEN CRITICIZED THE GOVERNMENT FOR ITS STRICT INTERPRETATION OF  
THE PROVISIONS RELATING TO FOREIGN INVESTMENT. LAURIA, WHO WAS  
THE FIRST MINISTER OF DEVELOPMENT APPOINTED BY CARLOS ANDRES  
PEREZ, RESIGNED AFTER SIX MONTHS REPORTEDLY BECAUSE HE DID NOT  
WISH TO POLICE THE PRICE CONTROL PROGRAM OF THE NEW ADMINISTRATION,  
OR, ACCORDING TO ANOTHER VERSION, BECAUSE OF POLICY CLASHES WITH  
MINISTER OF STATE FOR ECONOMIC PLANNING GUMERSINDO RODRIGUEZ.  
ALTHOUGH LAURIA HAD SUPPORTED PEDRO TINOCO FOR PRESIDENT IN  
THE LAST ELECTION, IT IS BELIEVED THAT CARLOS ANDRES PEREZ  
APPOINTED HIM MINISTER OF DEVELOPMENT AS A SOP TO THE BUSINESS  
COMMUNITY. LAURIA'S SUPPORT FOR THE SHARP CRITICISM BY  
FEDECAMARAS OF THE GOVERNMENT SEEMS TO INDICATE A COMPLETE  
DISAVOWAL BY LAURIA OF THE AD ECONOMIC POLICY ESPECIALLY AS IT  
RELATES TO FOREIGN INVESTMENT AND LABOR POLICIES DESIGNED TO  
INCREASE WAGES AND EMPLOYMENT. LAURIA HIMSELF CITED  
FEDECAMARAS AS A NECESSARY COUNTERBALANCE AGAINST THE POWER  
OF THE FEDERAL GOVERNMENT. MUCH OF THE ATTACK BY FEDECAMARAS  
HAS BEEN DIRECTED AGAINST MINISTER GUMERSINDO RODRIGUEZ.  
SHLAUDEMAN

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## Message Attributes

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**TAGS:** ETRD, EGEN, VE, ANCOM, (LAURIA, CARMELO)  
**To:** STATE  
**Type:** TE  
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